

DEBTOR(S): Powell Valley Health Care, Inc.

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 16-20326

Form 2-A
COVER SHEET

For Period End Date: 3/31/2017

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following documents unless the U. S. Trustee
has waived the requirement in writing. File the original with the Clerk of Court.
Submit a duplicate, with original signature, to the U. S. Trustee.

| Report/Document Attached | Previously Waived | REQUIRED REPORTS/DOCUMENTS |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Cash Receipts and Disbursements Statement (Form 2-B) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Balance Sheet (Form 2-C) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Profit and Loss Statement (Form 2-D) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Supporting Schedules (Form 2-E) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Quarterly Fee Summary (Form 2-F) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Narrative (Form 2-G) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Bank Statements for All Bank Accounts (Redact all but last 4 digits of account number and remove check images) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. Bank Statement Reconciliations for all Bank Accounts |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. Evidence of insurance for all policies renewed or replaced during month |

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 4/19/17

Print Name: Michael Long

Signature: 

Title: Chief Financial Officer

DEBTOR(S) Powell Valley Health Care, Inc. **CASE NO:** 16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 03/01/2017 to 03/31/2017

CASH FLOW SUMMARY

| | <u>Current Month</u> | <u>Accumulated</u> |
|---|--------------------------|-------------------------|
| 1. Beginning Cash Balance | \$ <u>3,678,979</u> (1) | \$ <u>3,499,673</u> (1) |
| 2. Cash Receipts | | |
| Operations | 4,760,790 | 41,579,898 |
| Sale of Assets | 0 | 0 |
| Loans/advances | 0 | 0 |
| Other | 0 | 2,170 |
| Total Cash Receipts | \$ <u>4,760,790</u> | \$ <u>41,582,068</u> |
| 3. Cash Disbursements | | |
| Operations | 4,102,277 | 40,397,674 |
| Debt Service/Secured loan payment | 0 | 0 |
| Professional fees/U.S. Trustee fees | 0 | 0 |
| Professional fees paid from retainer (e.g. COLTAF accts) | 0 | 0 |
| Other | 0 | 346,575 |
| Total Cash Disbursements | \$ <u>4,102,277</u> | \$ <u>40,744,249</u> |
| 4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements) | <u>658,513</u> | <u>837,819</u> |
| 5 Ending Cash Balance (to Form 2-C) | \$ <u>4,337,492</u> (2) | \$ <u>4,337,492</u> (2) |

CASH BALANCE SUMMARY

| | <u>Financial Institution</u> | <u>Book Balance</u> |
|--|---------------------------------|-------------------------|
| Petty Cash | <u>Powell Valley Healthcare</u> | \$ 2,170 |
| DIP Operating Account | <u>1st Bank Wyo 8425</u> | -99,932 |
| DIP State Tax Account | <u></u> | 0 |
| DIP Payroll Account | <u>1st Bank Wyo 4501</u> | 10,347 |
| Other Operating Account | <u>1st Bank Wyo See form 2G</u> | 4,424,907 |
| Retainers held by professionals (i.e. COLTAF) | <u></u> | 0 |
| TOTAL (must agree with Ending Cash Balance above) | | \$ <u>4,337,492</u> (2) |

(1) Accumulated beginning cash balance is the cash available at the commencement of the case and retainers.
Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 03/01/2017 to 03/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

| Date | Payer | Description | Amount |
|------------|------------------|--------------------------|------------|
| 03/01/2017 | Medicare EFT | Patient/Resident account | 30,902.71 |
| 03/01/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/01/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/01/2017 | Other Commercial | Patient/Resident account | 35,028.11 |
| 03/01/2017 | Other | Cash payments | 9,617.29 |
| 03/01/2017 | Other EFT | Patient/Resident account | 27,242.92 |
| 03/02/2017 | Medicare EFT | Patient/Resident account | 12,227.06 |
| 03/02/2017 | Aetna/Blue Cross | Patient/Resident account | 58,246.37 |
| 03/02/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/02/2017 | Other Commercial | Patient/Resident account | 7,793.55 |
| 03/02/2017 | Other | Cash payments | 13,622.45 |
| 03/02/2017 | Other EFT | Patient/Resident account | 18,171.62 |
| 03/03/2017 | Medicare EFT | Patient/Resident account | 61,381.84 |
| 03/03/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/03/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/03/2017 | Other Commercial | Patient/Resident account | 3,124.49 |
| 03/03/2017 | Other | Cash payments | 9,201.51 |
| 03/03/2017 | Other EFT | Patient/Resident account | 68,825.59 |
| 03/06/2017 | Medicare EFT | Patient/Resident account | 38,681.01 |
| 03/06/2017 | Aetna/Blue Cross | Patient/Resident account | 25,913.63 |
| 03/06/2017 | Cigna | Patient/Resident account | 24,053.04 |
| 03/06/2017 | Other Commercial | Patient/Resident account | 20,629.62 |
| 03/06/2017 | Other | Cash payments | 9,118.55 |
| 03/06/2017 | Other EFT | Patient/Resident account | 265,246.37 |
| 03/07/2017 | Medicare EFT | Patient/Resident account | 195,146.16 |
| 03/07/2017 | Aetna/Blue Cross | Patient/Resident account | 64,739.15 |
| 03/07/2017 | Cigna | Patient/Resident account | 45,342.38 |
| 03/07/2017 | Other Commercial | Patient/Resident account | 75,115.91 |
| 03/07/2017 | Other | Cash payments | 286,354.18 |
| 03/07/2017 | Other EFT | Patient/Resident account | 19,725.06 |
| 03/08/2017 | Medicare EFT | Patient/Resident account | 34,564.10 |
| 03/08/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/08/2017 | Cigna | Patient/Resident account | 10,839.36 |
| 03/08/2017 | Other Commercial | Patient/Resident account | 12,923.13 |
| 03/08/2017 | Other | Cash payments | 2,994.80 |
| 03/08/2017 | Other EFT | Patient/Resident account | 19,941.83 |
| 03/09/2017 | Medicare EFT | Patient/Resident account | 6,103.63 |
| 03/09/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/09/2017 | Cigna | Patient/Resident account | 6,726.97 |
| 03/09/2017 | Other Commercial | Patient/Resident account | 4,205.55 |
| 03/09/2017 | Other | Cash payments | 14,979.18 |
| 03/09/2017 | Other EFT | Patient/Resident account | 186,735.27 |
| 03/10/2017 | Medicare EFT | Patient/Resident account | 85,618.43 |
| 03/10/2017 | Aetna/Blue Cross | Patient/Resident account | 440.52 |
| 03/10/2017 | Cigna | Patient/Resident account | 1,412.40 |
| 03/10/2017 | Other Commercial | Patient/Resident account | 10,475.21 |
| 03/10/2017 | Other | Cash payments | 9,091.59 |
| 03/10/2017 | Other EFT | Patient/Resident account | 71,399.08 |
| 03/13/2017 | Medicare EFT | Patient/Resident account | 45,230.50 |
| 03/13/2017 | Aetna/Blue Cross | Patient/Resident account | 16,174.52 |
| 03/13/2017 | Cigna | Patient/Resident account | 17,598.24 |
| 03/13/2017 | Other Commercial | Patient/Resident account | 12,813.82 |
| 03/13/2017 | Other | Cash payments | 117,684.87 |
| 03/13/2017 | Other EFT | Patient/Resident account | 38,270.38 |
| 03/14/2017 | Medicare EFT | Patient/Resident account | 66,209.75 |

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 03/01/2017 to 03/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

| Date | Payer | Description | Amount |
|------------|------------------|--------------------------|------------|
| 03/14/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/14/2017 | Cigna | Patient/Resident account | 32,458.98 |
| 03/14/2017 | Other Commercial | Patient/Resident account | 62,331.25 |
| 03/14/2017 | Other | Cash payments | 97,956.49 |
| 03/14/2017 | Other EFT | Patient/Resident account | 13,347.84 |
| 03/15/2017 | Medicare EFT | Patient/Resident account | 9,024.52 |
| 03/15/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/15/2017 | Cigna | Patient/Resident account | 8,354.92 |
| 03/15/2017 | Other Commercial | Patient/Resident account | 1,834.79 |
| 03/15/2017 | Other | Cash payments | 8,063.74 |
| 03/15/2017 | Other EFT | Patient/Resident account | 23,777.71 |
| 03/16/2017 | Medicare EFT | Patient/Resident account | 33,936.16 |
| 03/16/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/16/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/16/2017 | Other Commercial | Patient/Resident account | 72.91 |
| 03/16/2017 | Other | Cash payments | 43,332.15 |
| 03/16/2017 | Other EFT | Patient/Resident account | 146,678.55 |
| 03/17/2017 | Medicare EFT | Patient/Resident account | 10,839.61 |
| 03/17/2017 | Aetna/Blue Cross | Patient/Resident account | 73.72 |
| 03/17/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/17/2017 | Other Commercial | Patient/Resident account | 19,631.70 |
| 03/17/2017 | Other | Cash payments | 7,022.93 |
| 03/17/2017 | Other EFT | Patient/Resident account | 10,928.44 |
| 03/20/2017 | Medicare EFT | Patient/Resident account | 20,458.09 |
| 03/20/2017 | Aetna/Blue Cross | Patient/Resident account | 27,045.07 |
| 03/20/2017 | Cigna | Patient/Resident account | 109.82 |
| 03/20/2017 | Other Commercial | Patient/Resident account | 28,705.35 |
| 03/20/2017 | Other | Cash payments | 11,803.63 |
| 03/20/2017 | Other EFT | Patient/Resident account | 319,895.17 |
| 03/21/2017 | Medicare EFT | Patient/Resident account | 46,180.09 |
| 03/21/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/21/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/21/2017 | Other Commercial | Patient/Resident account | 76,853.42 |
| 03/21/2017 | Other | Cash payments | 81,373.06 |
| 03/21/2017 | Other EFT | Patient/Resident account | 34,864.19 |
| 03/22/2017 | Medicare EFT | Patient/Resident account | 35,121.85 |
| 03/22/2017 | Aetna/Blue Cross | Patient/Resident account | 471.98 |
| 03/22/2017 | Cigna | Patient/Resident account | 671.63 |
| 03/22/2017 | Other Commercial | Patient/Resident account | 11,636.86 |
| 03/22/2017 | Other | Cash payments | 14,910.78 |
| 03/22/2017 | Other EFT | Patient/Resident account | 66,739.00 |
| 03/23/2017 | Medicare EFT | Patient/Resident account | 51,276.51 |
| 03/23/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/23/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/23/2017 | Other Commercial | Patient/Resident account | 922.70 |
| 03/23/2017 | Other | Cash payments | 4,263.57 |
| 03/23/2017 | Other EFT | Patient/Resident account | 176,665.71 |
| 03/24/2017 | Medicare EFT | Patient/Resident account | 43,802.69 |
| 03/24/2017 | Aetna/Blue Cross | Patient/Resident account | 2,792.85 |
| 03/24/2017 | Cigna | Patient/Resident account | 135.40 |
| 03/24/2017 | Other Commercial | Patient/Resident account | 1,941.54 |
| 03/24/2017 | Other | Cash payments | 10,385.73 |
| 03/24/2017 | Other EFT | Patient/Resident account | 101,610.37 |
| 03/27/2017 | Medicare EFT | Patient/Resident account | 72,560.56 |
| 03/27/2017 | Aetna/Blue Cross | Patient/Resident account | 16,515.44 |

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 03/01/2017 to 03/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

| Date | Payer | Description | Amount |
|----------------------------|------------------|--------------------------|----------------------------|
| 03/27/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/27/2017 | Other Commercial | Patient/Resident account | 18,604.67 |
| 03/27/2017 | Other | Cash payments | 5,746.49 |
| 03/27/2017 | Other EFT | Patient/Resident account | 88,848.69 |
| 03/28/2017 | Medicare EFT | Patient/Resident account | 21,286.27 |
| 03/28/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/28/2017 | Cigna | Patient/Resident account | 2,255.51 |
| 03/28/2017 | Other Commercial | Patient/Resident account | 56,039.74 |
| 03/28/2017 | Other | Cash payments | 36,847.70 |
| 03/28/2017 | Other EFT | Patient/Resident account | 51,147.20 |
| 03/29/2017 | Medicare EFT | Patient/Resident account | 14,785.56 |
| 03/29/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/29/2017 | Cigna | Patient/Resident account | 9,748.43 |
| 03/29/2017 | Other Commercial | Patient/Resident account | 31,731.29 |
| 03/29/2017 | Other | Cash payments | 11,301.70 |
| 03/29/2017 | Other EFT | Patient/Resident account | 109,232.64 |
| 03/30/2017 | Medicare EFT | Patient/Resident account | 31,314.65 |
| 03/30/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/30/2017 | Cigna | Patient/Resident account | 0.00 |
| 03/30/2017 | Other Commercial | Patient/Resident account | 1,459.48 |
| 03/30/2017 | Other | Cash payments | 15,148.26 |
| 03/30/2017 | Other EFT | Patient/Resident account | 169,790.43 |
| 03/31/2017 | Medicare EFT | Patient/Resident account | 11,660.59 |
| 03/31/2017 | Aetna/Blue Cross | Patient/Resident account | 0.00 |
| 03/31/2017 | Cigna | Patient/Resident account | 69.19 |
| 03/31/2017 | Other Commercial | Patient/Resident account | 7,662.80 |
| 03/31/2017 | Other | Cash payments | 41,630.69 |
| 03/31/2017 | Other EFT | Patient/Resident account | 17,214.50 |
| Total Cash Receipts | | | \$ 4,760,789.65 (1) |

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

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DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
 For Period: 03/01/2017 to 03/31/2017

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

8425

| Date | Check No. | Payee | Description (Purpose) | Amount |
|----------|-----------|---------------------------|--|------------|
| 03/01/17 | EFT | Electronic Funds Transfer | Trsf to EMBS act 6301 | 98,145.25 |
| 03/02/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- auto deposit | 577,861.12 |
| 03/02/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- manual chks | 7,361.54 |
| 03/06/17 | EFT | Electronic Funds Transfer | Trsf to pension act 7901 | 60,260.74 |
| 03/06/17 | EFT | Electronic Funds Transfer | FICA payroll taxes | 122,687.99 |
| 03/06/17 | EFT | Electronic Funds Transfer | Federal withholding payroll taxes | 111,167.47 |
| 03/06/17 | EFT | Electronic Funds Transfer | Trsf to EMBS act 6301 | 97,626.06 |
| 03/08/17 | EFT | Electronic Funds Transfer | Montana state tax | 969.00 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- auto deposit | 617,788.53 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- manual chks | 10,569.83 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to pension act 7901 | 65,088.54 |
| 03/16/17 | EFT | Electronic Funds Transfer | FICA payroll taxes | 131,270.98 |
| 03/16/17 | EFT | Electronic Funds Transfer | Federal withholding payroll taxes | 137,205.29 |
| 03/21/17 | EFT | Electronic Funds Transfer | Trsf to EMBS act 6301 | 165,688.46 |
| 03/22/17 | EFT | Electronic Funds Transfer | Montana state tax | 973.00 |
| 03/27/17 | EFT | Electronic Funds Transfer | Trsf to EMBS act 6301 | 68,974.43 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- auto deposit | 589,573.57 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to payroll act 4501- manual chks | 7,735.25 |
| 03/16/17 | EFT | Electronic Funds Transfer | Trsf to pension act 7901 | 63,163.59 |

5285-5736 Accounts Payable checks See attached check register 1,266,311.42

Total Cash Disbursements \$ 4,102,276.81 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

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Form 2-C

COMPARATIVE BALANCE SHEET

For Period Ended: 03/31/2017

| | Current Month | Petition Date (1) |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash (from Form 2-B, line 5) | \$ 4,979,968 | \$ 4,255,881 |
| Accounts Receivable (from Form 2-E) | 7,686,781 | 8,383,526 |
| Receivable from Officers, Employees, Affiliates | 0 | 0 |
| Inventory | 768,775 | 757,444 |
| Other Current Assets :(List) <u>Pre-paid Expense</u> | 1,214,704 | 865,872 |
| <u>Receivable from legal settlements</u> | 11,450,000 | 11,450,000 |
| Total Current Assets | \$ 26,100,228 | \$ 25,712,723 |
| Fixed Assets: | | |
| Land | \$ 0 | \$ 0 |
| Building | 694,434 | 694,434 |
| Equipment, Furniture and Fixtures | 10,056,575 | 9,997,873 |
| Total Fixed Assets | 10,751,009 | 10,692,307 |
| Less: Accumulated Depreciation | (8,861,337) | (8,254,973) |
| Net Fixed Assets | \$ 1,889,672 | \$ 2,437,334 |
| Other Assets (List): | 0 | 0 |
| | 0 | 0 |
| TOTAL ASSETS | \$ 27,989,900 | \$ 28,150,057 |
| LIABILITIES | | |
| Post-petition Accounts Payable (from Form 2-E) | \$ 1,344,187 | \$ 1,167,152 |
| Post-petition Accrued Profesional Fees (from Form 2-E) | 225,071 | 250,000 |
| Post-petition Taxes Payable (from Form 2-E) | 402,545 | 172,650 |
| Post-petition Notes Payable | 133,837 | 128,056 |
| Other Post-petition Payable(List): <u>see schedul 2G liab</u> | 3,271,065 | 3,405,269 |
| <u>Legal claim reserve</u> | 11,750,000 | 11,750,000 |
| Total Post Petition Liabilities | \$ 17,126,705 | \$ 16,873,127 |
| Pre Petition Liabilities: | | |
| Secured Debt | 1,037,757 | 1,153,923 |
| Priority Debt | 0 | 0 |
| Unsecured Debt | 912,547 | 1,415,297 |
| Total Pre Petition Liabilities | \$ 1,950,304 | \$ 2,569,220 |
| TOTAL LIABILITIES | \$ 19,077,009 | \$ 19,442,348 |
| OWNERS' EQUITY | | |
| Owner's/Stockholder's Equity | \$ 0 | \$ 0 |
| Retained Earnings - Prepetition | 8,691,606 | 8,691,606 |
| Retained Earnings - Post-petition | 221,285 | 16,103 |
| TOTAL OWNERS' EQUITY | \$ 8,912,891 | \$ 8,707,709 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | \$ 27,989,900 | \$ 28,150,057 |

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 03/01/2017 to 03/31/2017

| | Current Month | Accumulated Total (1) |
|--|---------------------|--------------------------|
| Gross Operating Revenue | \$ 6,569,446 | \$ 64,588,354 |
| Less: Discounts, Returns and Allowances | (2,665,248) | (25,217,721) |
| Net Operating Revenue | \$ 3,904,198 | \$ 39,370,633 |
| Cost of Goods Sold | 3,254,861 | 34,454,992 |
| Gross Profit | \$ 649,337 | \$ 4,915,641 |
| Operating Expenses | | |
| Officer Compensation | \$ 34,605 | \$ 173,242 |
| Selling, General and Administrative | 0 | 0 |
| Rents and Leases | 83,479 | 878,874 |
| Depreciation, Depletion and Amortization | 61,363 | 643,335 |
| Other (list): <u>Repairs</u> | 66,281 | 595,000 |
| <u>Insurance</u> | 56,762 | 605,781 |
| Total Operating Expenses | \$ 302,490 | \$ 2,896,232 |
| Operating Income (Loss) | \$ 346,847 | \$ 2,019,409 |
| Non-Operating Income and Expenses | | |
| Other Non-Operating Expenses | \$ 0 | \$ 0 |
| Gains (Losses) on Sale of Assets | 0 | 0 |
| Interest Income | 0 | 0 |
| Interest Expense | -700 | -43,587 |
| Other Non-Operating Income | 0 | 0 |
| Net Non-Operating Income or (Expenses) | \$ -700 | \$ -43,587 |
| Reorganization Expenses | | |
| Legal and Professional Fees | \$ 272,473 | \$ 1,754,537 |
| Other Reorganization Expense | 0 | 0 |
| Total Reorganization Expenses | \$ 272,473 | \$ 1,754,537 |
| Net Income (Loss) Before Income Taxes | \$ 73,674 | \$ 221,285 |
| Federal and State Income Tax Expense (Benefit) | 0 | 0 |
| NET INCOME (LOSS) | \$ 73,674 | \$ 221,285 |

(1) Accumulated Totals include all revenue and expenses since the petition date.

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DEBTOR(S):

Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-E (Page 1 of 2)
SUPPORTING SCHEDULES

For Period: 03/01/2017 to 03/31/2017

| Summary of Post-Petition Taxes | | | | |
|---|--|--|--|--|
| Type of tax | 1 | 2 | 3 | 4 |
| | Unpaid post-petition taxes from prior reporting month(1) | Post-petition taxes accrued this month (new obligations) | Post-petition tax payments made this reporting month | Unpaid post-petition taxes at end of reporting month (columns 1+2-3) |
| Federal | | | | |
| Employee income tax withheld | 111,167 | 260,208 | 248,373 | 123,002 |
| Employee FICA taxes withheld | 61,344 | 129,068 | 126,979 | 63,432 |
| Employer FICA taxes | 61,344 | 129,068 | 126,979 | 63,432 |
| Unemployment taxes | | | | |
| Other: | | | | |
| State | | | | |
| Sales, use & excise taxes | 270 | 45 | | 315 |
| Unemployment taxes | | | | |
| Other: Worker Compensation | 103,817 | 48,546 | | 152,363 |
| Local | | | | |
| Personal property taxes | | | | |
| Real property taxes | | | | |
| Other: | | | | |
| Total unpaid post-petition taxes | | | | 402,545 |

(1) For first report, the beginning balance in column 1 will be \$0; thereafter, beginning balance will be ending balance from prior report.

| Insurance Coverage Summary | | | | |
|--|--|-------------------------|------------------------|---------------------------|
| Type of insurance | Insurance carrier | Coverage amount | Policy expiration date | Premium paid through date |
| Workers' compensation | State of Wyoming | Not Applicable | Not Applicable | Not Applicable |
| General liability | National Fire & Risk/AB Risk, USI Insurance Service | \$1M/\$5M \$5M Umbrella | 08/01/2017 | 07/31/2017 |
| Property (fire, theft, etc.) | Affiliated FM Insurance Company, USI Insurance Service | Bldg \$100m Flood \$75m | 08/01/2017 | 07/31/2017 |
| Vehicle | National Indemnity Company/RPS, Ohio Security Insurance, USI Insurance Service | \$1M auto & \$1m Ambul | 08/01/2017 | 07/31/2017 |
| Other (list): Director & Officer Liability | Darwin National Assurance Co., USI Insurance Service | \$2m | 09/07/2017 | 09/07/2017 |
| Other (list): Internet/Cyber Liability | NAS/Lloyd's of London, USI Insurance Service | \$1m/claim \$1m/agg | 09/01/2017 | 09/01/2017 |
| Other (list): Crime | Travelers Casualty and Surety, USI Insurance Service | \$500,000 | 08/01/2017 | 07/31/2017 |

If any policies were renewed or replaced during reporting period, attach new certificate of insurance.

DEBTOR(S): Powell Valley Health Care, Inc.

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Form 2-E (Page 2 of 2)
SUPPORTING SCHEDULES

For Period: 03/01/2017 00:00 to 03/31/2017 00:00

| Accounts Receivable Aging Summary (attach detailed aging report) | | | | | |
|--|-----------------|---------------|---------------|--------------|--------------------|
| | 30 days or less | 31 to 60 days | 61 to 90 days | Over 90 days | Total at month end |
| Pre-petition receivables | | | | 207,966 | 207,966 |
| Post-petition receivables | 3,332,358 | 1,434,874 | 1,044,881 | 1,666,702 | 7,478,815 |
| Total | 3,332,358 | 1,434,874 | 1,044,881 | 1,874,668 | 7,686,781 |

| Post-Petition Accounts Payable Aging Summary (attach detailed aging report) | | | | | |
|---|-----------------|---------------|---------------|--------------|--------------------|
| | 30 days or less | 31 to 60 days | 61 to 90 days | Over 90 days | Total at month end |
| Trade Payables | 528,705 | 17,876 | 19,170 | 688,573 | 1,254,324 |
| Other Payables | 60,435 | 3,300 | 3,300 | 22,828 | 89,863 |
| Total | 589,140 | 21,176 | 22,470 | 711,401 | 1,344,187 |

| SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS | | | | | |
|---|----------------------------|-------------------------|-----------------------|---------------------|-------------------------|
| | Month-end Retainer Balance | Current Month's Accrual | Paid in Current Month | Court Approval Date | Month-end Balance Due * |
| Debtor's Counsel | \$159,533 | 35,012 | 15,059 | 02/16 | \$179,486 |
| Counsel for Unsecured Creditors' Committee | 27,403 | 28,342 | 10,159 | 02/16 | \$45,586 |
| Trustee's Counsel | | | | | |
| Accountant | | | | | |
| Other: CKKK | | 1,767 | 1,767 | 02/16 | |
| Total | 186,936 | 65,121 | 26,986 | | 225,071 |

*Balance due to include fees and expenses incurred but not yet paid.

| SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES** | | | |
|---|-------------------------|-------------------------------------|--------|
| Payee Name | Position | Nature of Payment | Amount |
| Michael Long | Chief Financial Officer | Salary = 13,678 PTO Payout = 20,927 | 34,605 |
| | | | |
| | | | |
| | | | |
| | | | |

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer, or director.

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: 03/31/2017

| <u>Month</u> | <u>Year</u> | <u>Cash Disbursements **</u> | <u>Quarterly Fee Due</u> | <u>Check No.</u> | <u>Date Paid</u> |
|--------------------------|--------------|------------------------------|--------------------------|---------------------|------------------------|
| January | <u>20 17</u> | \$ 3,828,457 | | | |
| February | <u>20 17</u> | 3,489,036 | | | |
| March | <u>20 17</u> | 4,204,015 | | | |
| TOTAL 1st Quarter | \$ | <u>11,521,508</u> | <u>13000</u> | <u>5,902</u> | <u>04/12/17</u> |
| April | <u>20 16</u> | \$ 0 | | | |
| May | <u>20 16</u> | 1,330,126 | | | |
| June | <u>20 16</u> | 3,481,838 | | | |
| TOTAL 2nd Quarter | \$ | <u>4,811,964</u> | <u>325</u> | <u>2,551</u> | <u>07/19/16</u> |
| | | | <u>10,075</u> | <u>2,919</u> | <u>08/22/16</u> |
| July | <u>20 16</u> | \$ 4,385,351 | | | |
| August | <u>20 16</u> | 4,176,264 | | | |
| September | <u>20 16</u> | 3,938,695 | | | |
| TOTAL 3rd Quarter | \$ | <u>12,500,310</u> | <u>13,000</u> | <u>3,605</u> | <u>10/18/16</u> |
| October | <u>20 16</u> | \$ 4,223,353 | | | |
| November | <u>20 16</u> | 3,742,311 | | | |
| December | <u>20 16</u> | 4,046,540 | | | |
| TOTAL 4th Quarter | \$ | <u>12,012,204</u> | <u>13,000</u> | <u>4,766</u> | <u>01/18/17</u> |

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

| <u>Quarterly Disbursements</u> | <u>Fee</u> | <u>Quarterly Disbursements</u> | <u>Fee</u> |
|--------------------------------|------------|----------------------------------|------------|
| \$0 to \$14,999..... | \$325 | \$1,000,000 to \$1,999,999..... | \$6,500 |
| \$15,000 to \$74,999..... | \$650 | \$2,000,000 to \$2,999,999..... | \$9,750 |
| \$75,000 to \$149,999..... | \$975 | \$3,000,000 to \$4,999,999..... | \$10,400 |
| \$150,000 to \$224,999..... | \$1,625 | \$5,000,000 to \$14,999,999..... | \$13,000 |
| \$225,000 to \$299,999..... | \$1,950 | \$15,000,000 to \$29,999,999.... | \$20,000 |
| \$300,000 to \$999,999..... | \$4,875 | \$30,000,000 or more | \$30,000 |

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

Rev. 1/15/14

DEBTOR(S) Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-G
NARRATIVE

For Period Ending: 03/31/2017

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

FORM 2B-1 Line 50, Cash Accounts are made up of General Checking #7301, EBMS Checking #6301, Flex Spending #3101, Care Center Resident Trust #2088, Employee Benefit #5601, and Pension #7901. Form 2B-3 Cash Disbursements other is for vendor deposits made during the period. **Form 2C-Liabilities**, line 38 Other Payables, this line is made up of accrued Provider Incentives \$407,877, Accrued Payroll \$245,456, 3rd Party Receivable/Payable (Medicare Cost Report Settlement) \$(266,117), Assisted Living Room Retainer \$34,500, NH Resident Trust \$6,604, Donations \$508, and Accrued Benefits \$2,841,236. **Form 2D** Officer compensation equals the amount listed on Form 2E. Rent, Depreciation, Interest, Repairs, and Insurance come from facility income statement, all other expenses is combined into cost of goods sold. **Form 2-E pg 2** "Other" fees are for Copenhaver, Kath, Kitchen, & Kolpitcke for non-chapter 11 hospital legal counsel of \$1,767. Principals/Executives - M Long includes final salary payout \$13,678 and Paid Time Off payout 20,927.

Rev. 1/15/14